



Ninety-Seventh Legislature - First Special Session - 2001
Committee Statement
LB 17

Hearing Date: October 30, 2001

Committee On: Education

Introducer(s): (Raikes)

Title: Change allocation of the Education Innovation Fund and eliminate quality education incentive payments

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

6	Yes	Senators Coordsen, Suttle, Price, Stuhr, Wickersham, Raikes
1	No	Senator Maxwell
0	Present, not voting	
1	Absent	Senator Brashear

Proponents:

Senator Ron Raikes

Representing:

Introducer

Opponents:

Representing:

Neutral:

Joel Scherling

Representing:

Excellence in Education Council

Summary of purpose and/or changes:

Legislative Bill 17 changes the use of lottery proceeds in the Education Innovation Fund pursuant to § 9-812. Under this measure, the funds available in the Education Innovation Fund would be allocated as follows: 10% for the mentor teacher program; 83% for the University of Nebraska; and 7% for the state colleges.

Currently, the available funds for 2001-02 and 2002-03 are allocated as follows: up to 10% for the mentor teacher program; up to 70% for quality education incentives; and up to 20% for a distance education network completion grant, but not to exceed \$1.5 million per fiscal year. If any of the 20% allocation remains above the \$1.5 million, the funds will be allocated by the Governor through incentive grants. For all other fiscal years, the allocation percentages under current law are: up to 10% for the mentor teacher program; up to 70% for quality education incentives; and up to 20% for allocation by the Governor through incentive grants.

Language pertaining to the Governor's incentive grants is deleted. However, the Excellence in Education Council is retained and the duties are limited to the mentor teacher program.

Section 79-1018.01 is amended by deleting a reference to grant funds received pursuant to § 9-812. The grant funds are currently excluded from accountable receipts for the school finance formula.

Section 79-758 is outright repealed. That section currently provides for quality education incentive payments that are funded through the Education Innovation Fund.

This measure contains an emergency clause. Because the money in the Fund for fiscal year 2001-02 has not actually been distributed out of the Fund and the distribution mechanisms are being repealed, the new allocations would probably apply to all 2001-02 quarterly distributions. The retroactive effect may be mitigated if any of the current year funds were considered obligated.

Explanation of amendments, if any:

The Committee Amendments replace the original provisions of LB 17, except that the emergency clause is retained. Section 9-812 is amended by redirecting the use of lottery proceeds in the Education Innovation Fund for the 2001-02 and 2002-03 fiscal years. For those two years, up to \$1.5 million of the Fund would be allocated as a distance education network completion grant and the remainder would be allocated to the General Fund.

Currently, the available funds for 2001-02 and 2002-03 are allocated as follows: up to 10% for the mentor teacher program; up to 70% for quality education incentives; and up to 20% for a distance education network completion grant, but not to exceed \$1.5 million per fiscal year. If any of the 20% allocation remains above the \$1.5 million, the funds will be allocated by the Governor through incentive grants.

Beginning with the 2003-04 fiscal year, the allocation would be based on the current law. The allocation percentages for those years are: up to 10% for the mentor teacher program; up to 70% for quality education incentives; and up to 20% for allocation by the Governor through incentive grants.

Language in § 79-1328 is amended to reflect the change in the allocation method for the distance education network completion grant.

Senator Ron Raikes, Chairperson